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Foreign Crops and MARKETS



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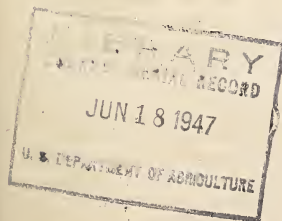
China's Tung-Oil Prospects Bright. Output May Top Last Year's Crop Which Was Only a Third Below Average. Bulk of Exports in 1946 were to U. S. (Page 390).

Ukraine Farms Exceed Goals Set For Spring-Crop Plantings of Small Grains, Sugar Beets, and Sunflower Seed (Page 393).

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L A T E N E W S

The period during which Cuban bakers and importers may buy unlimited amounts of wheat flour abroad and receive the direct maximum flexible subsidy of \$4.98 per 200-pound bag has been extended from April 30 to June 30, covering shipments from mills through August. In April, the flour-import subsidy was reduced to \$4.98 per 200-pound bag from \$8.98. This reduction in subsidy was accompanied by a similar increase in wholesale price ceilings. Last year, wheat flour was the country's second largest import. Almost all the flour imported was from the United States.

Jute plantings for 1947 in India, the world's largest producer of this fiber, are estimated at 25 percent above last year's. Acreage this year may equal the 2,422 million acres in 1945 when 3,916 million pounds of jute were produced. Plantings were completed before mid-May under favorable weather conditions. The second quarter quota of 10,500 tons of raw jute for shipment to this country are smaller than the 15,000 tons for each quarter in the second half of 1946. For manufactured jute goods, however, the quota is larger than for the last two quarters of last year. Jute imports into the United States in 1946 of 71,368 long tons were larger than the prewar (1935-39) average of 56,309 tons.

Colombia's coffee exporters may now make sales abroad at a minimum price of \$36.70 per 70 kilo bag (154 pounds), the lowest figure yet announced by the Exchange Control Office since it fixed a floor price of \$40 at the end of April. The president of the National Coffee Association reportedly called the Control Office's restraint of sales at less than minimum prices an "arbitrary" practice. The Association has denied rumors that a reduction is being considered in its present guaranteed price of \$40 per 154-pound bag to interior producers. Last year over 90 percent of Colombia's coffee exports were destined to this country.

China's larger tea stocks may be welcome news to green-tea drinkers. Stocks available for export at Shanghai are placed at about 4 to 8 million pounds and at Foochow from 77,000 to 300,000 pounds, of which two-thirds are green teas and one-third black teas. High domestic prices, however, may hinder export trade, and some trade sources hold that about 30 percent of stocks at ports may be old-crop tea and unsuitable for export.

China's prewar tea exports averaged 80 million pounds yearly, of which 6 million came to this country. Though China is the world's largest tea producer, the bulk of the country's output is consumed domestically. Production, however, has suffered from war damage and neglect of tea gardens. Output for 1947-48 is unofficially estimated at 399 million pounds, or only about 60 percent of the 1934-36 average. Of this, perhaps, 10 to 30 million pounds, roughly 28 percent green tea and 72 percent black tea, may be suitable for export.

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDSCHINA'S GRAIN
PRODUCTION LARGE

The 1947 winter-grain crop in China is large, with wheat placed at a near-record level and barley larger than in the past two seasons, though still below average, according to the latest estimate of production. The current wheat crop is estimated at 926.5 million bushels, compared with the prewar (1931-37) average of about 800 million. The increase is attributed mainly to expanded acreage, this year's seedings being about 13 percent larger than during the prewar period and yields indicated to be only slightly above average. Normally about 98 percent of China's total wheat production is winter wheat.

Barley is the second crop of importance among the winter crops, and this year's outturn is now estimated at 314 million bushels, compared with 289 million in 1946 and the 1931-37 average of 360 million bushels. A significant reduction in the area seeded to barley is indicated, compared with the prewar level. On the basis of incomplete returns, oats production is also larger than in 1946, though not quite up to the 1931-37 outturn.

U. S. RICE EXPORTS
SURPASS PREVIOUS PEAK

Total exports from the United States rice crop of 1946 during the August-April period equaled 698 million pounds, or 110 million more than the previous record attained during the same months a year earlier. April shipments brought exports to Cuba to 341 million pounds, compared with 299 million during the same period of the preceding year. Total exports for the August-July marketing year of 1945-46 equaled 717 million pounds, or twice the 358 million exported during the prewar (1937-38/1941-42) period.

Rice exports during April 1947 amounted to 85 million pounds, compared with 70 million in the same month a year earlier. Of these, 84 million, or 99 percent, were shipped to Cuba, in contrast with 30 million to that country and nearly 40 million to Far Eastern countries in April 1946. During March and April 1947, for the first time since the war ended, except during the maritime strike of last fall, no important quantities were delivered to Asiatic countries.

RIO GRANDE DO SUL HARVESTS
BUMPER RICE CROP

A record 1947 crop amounting to 29.4 million bushels of rough rice (860 million pounds milled) is forecast in Rio Grande do Sul, Brazil's principal rice-exporting State. The harvest is 5 percent above the previous largest

crop of 27.9 million bushels (815 million pounds) a year earlier, and more than twice the prewar (1936-40) output of 13.5 million bushels (395 million pounds). High yields, harvested as a result of excellent weather during the growing season, more than offset a 10-percent decrease in the area sown to rice. Planted acreage is estimated at 495,000 acres, compared with 550,000 the year before.

Rice exports during 1946 of 309 million pounds from Rio Grande do Sul to foreign countries were four times as great as in the 1936-40 period, but shipments to Brazilian States were nearly 15 percent less. Owing to increased production in other States during recent years, not only have Rio Grande do Sul's rice shipments to other Brazilian areas decreased, but also the proportion which that State exported in 1946 dropped from approximately 90 to around 60 percent of Brazil's total exports. The State of Sao Paulo formerly took rice from Rio Grande do Sul, particularly in years of poor crops, but in 1946 foreign exports from Sao Paulo were over 150 million pounds.

RIO GRANDE DO SUL: Rice shipments to Brazilian States,
January-March 1947, with comparisons a/

State	:Average : :1936-40 :	1944	: 1945	: 1946 <u>b/</u>	:January-March <u>b/</u> : 1945 : 1946
	: Million: : pounds	: Million: : pounds	: Million: : pounds	: Million: : pounds	: Million: : pounds
Federal District ...	136	136	145	142	17 : 39
Rio de Janeiro	9	8	13	21	1 : 0
Sao Paulo	84	5	2	0	0 : 0
Parana	12	6	8	1	c/ : c/
Bahia	7	8	13	21	3 : 2
Pernambuco	9	10	17	21	4 : 2
Others	13	11	18	30	4 : 10
Total shipments ...	270	184	216	236	29 : 53
Foreign exports ..	71	298	160	309	24 : 94

American Consulate, Porto Alegre, Brazil. a/ Shipments from ports of Porto Alegre, Pelotas, and Rio Grande. b/ Preliminary. c/ Less than 500,000 pounds.

DOMINICAN REPUBLIC
SETS PRICE ON RICE

In the Dominican Republic, the wholesale price of "Buffalo" rice is fixed at \$14.00 per 100 pounds, according to a published statement of May 1, 1947. This permits sale at the retail price of 15 cents per pound.

TOBACCO

MEXICO'S TOBACCO
CROP DOWN

Mexico's 1946-47 tobacco crop is estimated at 49.5 million pounds, compared with 55 million last season. Flue-cured totaled about 2.6 million pounds this year, and Burley 1.7 million. Both figures represent small do-

creases from 1945-46 production, but are considerably above the average outturn for recent years. Light and dark native types made up the bulk of the crop.

Average contract prices for 1946-47 crop flue-cured and Burley are reported to have been about 36.3 cents per pound, and 27.9 cents, both slightly under last season's high prices of 37 cents and 29.9 cents, respectively. During the five seasons 1940-41 through 1944-45 contract prices for flue-cured averaged 22.7 cents and for Burley, 17 cents per pound. Prices for native tobaccos are usually less than one-half those paid for flue-cured leaf.

Demand for quality cigarettes, utilizing considerable quantities of flue-cured and Burley, has been reflected in increasing domestic production of these types, as well as by larger imports. During the period July 1945-June 1946, imports of United States leaf, chiefly flue-cured and Burley, totaled 1,843,000 pounds, compared with an average of only 440,000 pounds during the 5 years 1939-40 through 1943-44. For the last 6 months of 1946, about 700,000 pounds were imported. Reports indicate that the upward trend in purchases may be continued and that Mexico may become a significant market for American cigarette leaf.

SOUTHERN RHODESIA'S TOBACCO EXPORTS HIGH

Last year, exports of leaf tobacco from Southern Rhodesia were the largest on record, totaling 40.6 million pounds, valued at \$26,250,000, compared with 40.2 million, valued at \$17,170,000 in 1945. Exports averaged 29.4 million pounds during the 5 years 1940-44. The 1946 exports, principally flue-cured, were destined chiefly to Empire countries. The United Kingdom took 19.9 million pounds, and the Union of South Africa 4.7 million. Other important purchasers were Egypt with 4 million pounds and Denmark 3.5 million. Exports of Turkish leaf (included in the above total) were 4.5 million pounds last year.

FRUITS, VEGETABLES, AND NUTS

AUSTRALIAN RAISIN, CARRANT OUTPUT DOWN

The worst weather conditions in the history of the Australian raisin industry are reported for February and March. The earlier estimates of raisin and currant production have been scaled downward considerably. At present it is estimated that the 1947 output of Sultanas will total only 51,500 short tons, Lexias 7,100 tons, and currants 10,100 tons. These estimates may be compared with 56,800 tons of Sultanas, 6,700 tons of Lexias, and 14,900 tons of currants in 1946.

Heavy rains and humid conditions in the latter half of February materially damaged the currant crops in the Murray River areas of Victoria, New South Wales, and South Australia, and more than one-third of the crop is estimated to have been destroyed, while a large quantity of the remainder was diverted to wine distilleries. Sultanas and Lexias suffered less damage,

but, nevertheless, were greatly reduced by breakdown and mould after the rains. It is reported that a large quantity of the fruit, which has been delivered to packing sheds, is of low grade and light in weight.

COTTON AND OTHER FIBERS

WEEKLY COTTON PRICES ON FOREIGN MARKETS

COTTON: Spot prices of certain foreign growths
and qualities in specific markets

Market location, kind, and quality	Date: 1947:	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
Alexandria	:	:Kantar	:	:	:
Ashmouni, Good.....	:6-5	: 99.05 lbs.	:Tallari	: 39.50	: 32.92
Ashmouni, F.G.F.....	:	: "	: "	: 37.50	: 31.26
Giza 7, Good.....	:	: "	: "	: 41.75	: 34.80
Giza 7, F.G.F.....	:	: "	: "	: 38.75	: 32.30
Karnak, Good.....	:	: "	: "	: 41.75	: 34.80
Karnak, F.G.F.....	:	: "	: "	: 39.50	: 32.92
Bombay	:	:Candy	:	:	:
Jarila, Fine.....	:	: 784 lbs.	:Rupee	: 430.00	: 16.54
Broach, Fine.....	:	: "	: "	: 505.00	: 19.43
Sind American, Fine.....	:	: "	: "	: 540.00	: 20.78
Punjab " 289-F, Fine:	:	: "	: "	: 620.00	: 23.35
Kampala, East African....	:	: "	: "	: 920.00	: 35.40
Buenos Aires	:	:Metric ton	:	:	:
Type B.....	:6-7	: 2204.6 lbs.	:Peso	: 2640.00	: 35.65
Lima	:	:Sp. quintal	:	:	:
Tanguis, Type 5.....	:	: 101.4 lbs.	:Sol	: 158.00	: 23.97
Pima, Type 1.....	:	: "	: "	(not quoted)	
Recife	:	:Arroba	:	:	:
Mata, Type 5.....	:6-6	: 33.07 lbs.	:Cruzeiro:	: 120.00	: 19.74
Sertao, Type 5.....	:	: "	: "	: 120.00	: 19.74
Sao Paulo	:	:	:	:	:
Sao Paulo, Type 5.....	:	: "	: "	: 159.50	: 26.24
Torreón	:	:Sp. quintal	:	:	:
Middling, 15/16".....	:	: 101.4 lbs.	:Peso	: 139.50	: 28.30

Compiled from weekly cables from representatives abroad.

FATS AND OILS

CHINA'S TUNG OIL PROSPECTS BRIGHT

China's prospective tung-oil production for 1947 is indicated as being at least equivalent to the 1946 output of 90,000 short tons, according to an estimate of American Embassy officials. (Estimates from trade and other sources

for 1946 production are from 72,000 to well over 100,000 tons). Comparable estimates for 1945, 1944, and the 1933-37 average are 77,000, 72,000, and 132,000 tons, respectively.

Hostilities brought on a decline in tung output beginning about 1939 and continuing until 1945 when production began to show signs of recovery and undoubtedly will continue to increase, though estimates vary as to the extent. Oil production in 1945 showed a decrease of from 40 to 50 percent from the prewar average.

Reasons now advanced for the drastic decline in oil production are: (1) A large number of oil mills could not operate, or went out of existence entirely, owing to the shortage of buffalos and the inability to replace equipment, which had either been worn out or lost, and (2) the tung nuts in some localities were left unpicked, either because of the abandonment by farmers who took refuge elsewhere as the enemy approached, or the inadvisability of moving tung nuts to distant mills, in case nearby ones ceased operations.

Tung oil is produced in at least 16 Provinces, of which Szechwan, Hunan, Hupeh, Kwangsi, and Chekiang, also known as the Southwestern Tung Region, contribute about 85 percent of the total. The cultivation of tung trees has, until recently, been carried out with the least possible amount of care. The trees have been concentrated in the hilly inland regions on land unsuitable for the production of food crops. Undeveloped transportation facilities to the producing zones retard the development of the tung industry and make actual surveys of production almost impossible. Moreover, it is extremely difficult to secure reliable data from the small, obsolete, and widely scattered oil mills.

Domestic consumption varies irregularly, more depending upon the export prices offered than the size of the tung-nut crop. The average prewar annual consumption is estimated at about 43,000 tons. Significant increases during the war were due to the shortage and higher prices of other oils. In addition to its ordinary uses, consumption increased for lighting purposes as a substitute for kerosene, as an ingredient for the manufacture of soap, and for fuel. The arrivals of large numbers of people from occupied areas also increased consumption.

Though domestic consumption must have declined during the 1945-46 season owing to some import supplies of kerosene and the return of many people to coastal areas, it is not believed to have fallen below 50,000 tons. A further drop of 3,000 to 4,000 tons is anticipated in the 1946-47 season.

Exports of tung oil, which were the largest in value of all exported commodities from China in recent years, averaged over 80,000 tons from 1935 to 1939. Despite the decrease in exports to an insignificant amount during the war years, 1946 shipments, including those from Hong Kong, amounted to about 40,000 tons, 65 percent of which went to the United States.

ARGENTINE FLAXSEED CRUSHINGS LARGE

Argentine flaxseed crushings in 1946, amounting to 574,500 short tons (20.5 million bushels), were 11 percent smaller than in the preceding year and less than half the quantity crushed in 1944. The 1935-39 average was 20,800 tons (0.7 million bushels). Estimates of Argentine flaxseed processing during the war years have varied greatly. Latest information available, however, indicates that crushings were smaller than formerly reported. The peak was reached in 1944 when more than a million tons (41.6 million bushels) were used in production of over 350,000 tons of linseed oil.

Prior to World War II, linseed-oil production was negligible, but with the loss of foreign markets and with shipping hazards that prevented the importation of fuel, Argentina began using linseed oil as fuel and continued that practice for several years. Now that the crushing capacity is sufficient to handle the greater portion of the flaxseed crop, the Government permits only limited quantities of seed to be exported. Linseed-oil exports rose from less than 500 tons (1935-39) to 175,500 in 1946. Linseed-oil production during the past 5 years averaged 209,400 tons, and in the same period exports averaged only 66,000 tons, indicating that domestic consumption is increasing at a rapid rate or that stocks within the country are large.

ARGENTINA: Flaxseed crushings, oil production, and exports, 1946 with comparisons

Year	:	Flaxseed crushings	:	Linseed oil		
				Production	Exports	
	:	1,000	:	Short	:	Short
	:	<u>bushels</u>	:	<u>tons</u>	:	<u>tons</u>
Average-	:	:	:	:	:	:
1935-39.....	:	742	:	20,770	:	6,202
1942	:	6,159	:	172,438	:	60,684
1943	:	30,597	:	856,708	:	253,931
1944	:	41,603	:	1,164,882	:	350,159
1945	:	22,951	:	642,630	:	202,886
1946	:	20,517	:	574,480	:	179,211
	:	:	:	:	:	:

Compiled from official sources.

BRAZIL'S TUNG-OIL PRODUCTION RISING

Tung-oil exports from Brazil are expected to reach 330 short tons in 1947, as compared with approximately 110 tons in 1946. Exports were primarily to European countries.

Production has expanded from about 20 tons of oil in 1942 to more than 290 tons in 1946. As only about 40 percent of the estimated 3,840,000 trees have reached bearing age further increases up to 2,750 tons are anticipated. The yield of nuts per tree varies widely between different regions depending on soil, climate, and age of trees, and although the average is slightly more

than 3 pounds, some trees are producing as much as 110 pounds. Yields in northern Parana, where most recent plantings have been made, are above the average for the country. As large numbers of young tung trees are now beginning to produce, oil output in 1947 is expected to double 1946 production. Domestic consumption of tung oil in Brazil is estimated at 110 tons annually.

LIVESTOCK AND ANIMAL PRODUCTS

BRITAIN REPORTS SMALLER DOMINION WOOL STOCKS

United Kingdom Dominion Wool Disposals, Ltd., has announced a fairly heavy reduction in wool held by the Joint Organization. Stocks which totaled 5,786,700 bales as of June 30, 1946, according to a revised estimate, or about 1,798 million pounds ²/₁, were reduced by 768,275 bales up to January 1947. Sales totaled 812,876 bales--44,601 of which were brought in by the Joint Organization.

The Organization wool scheduled for sale during February - June 1947 is between 630,000 and 660,000 bales. On this basis stocks as of June 30, 1947, are estimated by the Organization at 4,357,000 to 4,387,000 bales (about 1,366,000 to 1,374,000 pounds). The June 30, 1947, stocks will be composed of the following types (in bales with million pounds, actual weight, in parentheses): Australian merino 2,304,000 (700); crossbred 711 (220); New Zealand crossbred 1,050,000 (359); South African merino 259,000 to 279,000 (77 to 83); Karakul 32,000 to 42,000 (10 - 12).

The United Kingdom Dominion Wool Disposal Ltd., (Joint Organization) was set up jointly by the United Kingdom and the British Dominions for the purpose of disposing of wartime stocks of wool accumulated by the British Government and the Dominions. Stocks of wools on hand at the end of the war were taken over, but at present, since open auction sales commenced last September, the Organization only buys in wool that cannot be sold at or above the so-called "reserve" price established each season and varied as marketing conditions indicate.

MISCELLANEOUS

UKRAINE FARMS TOP SPRING-CROP GOALS

Ukraine collective farms have over-fulfilled the goals for sowing of small spring grains (wheat, barley, and oats), sugar beets, and sunflower seed, Soviet reports disclose. Much of this area, which was occupied and devastated during the war by the Germans, suffered from a drought in 1946.

By May 25, 10,237,000 acres were seeded to small grains, as against a goal of 10,136,000 acres. Spring wheat alone, the expansion of which was much emphasized this year by the Government program, was sown on an area of

a/ The original estimate issued last year as of August 6, 1946, was 6,300,000 bales, or 1,968 million pounds.

1,968,000 acres, compared with a goal of 1,951,000. Sugar beets, of which the Ukraine is the principal producing region of the Soviet Union, were planted by May 10 on 1,574,000 acres (collective and peasant farms together), as against a goal of 1,569,000 and sunflower seed on 1,956,000 acres, compared with a goal of 1,779,000.

While these acreages are increasing, they are still below prewar. In 1938, for instance, about 11,700,000 acres were seeded on collective farms to small spring grains, 2,278,000 to spring wheat alone, and over 1,900,000 to sugar beets. Only in the case of sunflower seed, the principal Ukrainian oil-seed crop, was the 1938 area of 1,552,000 acres exceeded. Weather conditions during May appeared to be, on the whole, favorable to crops.

LATE NEWS

(Continued from page 386)

Danish milk production in 1947 fails to show an expected spring increase. Production for the 5 weeks ended May 15 was about 24 percent above average for the 5 weeks ended February 27. Last year the increase was 45.5 percent. The late spring necessitated continued indoor feeding with winter fodder in short supply, and the May drought resulted in poor pastures. Butter and cheese production is now below last year's. Good rains are badly needed.

Yugoslavia and Finland have signed a trade agreement providing for exports of tobacco, dried fruits, minerals, and other products from the former country. Finland is to export machinery, paper, and other goods.

Czechoslovak farmers are to be insured against job injuries. Under a new insurance scheme, all farm workers, including members of voluntary brigades, will receive free medical treatment, artificial limbs, and hospital care. Payment will also be made for loss of work on account of illness. After the fourth day of illness a farmer or his wife will get (80 cents per day), though insured persons receiving hospital treatment are not entitled to this allowance. A pension will be granted for permanent disability. If totally disabled a worker is eligible for an amount equal to two thirds of his income.

The Government of India announced June 9 effective immediately and until August 31, 1947, all restrictions on exports of cotton are removed.

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